



October 28, 2011

Shoshana M. Grove
Secretary
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Re: Docket No. MT2011-2

In accordance with Commission Order No. 721, issued April 28, 2011 in Docket No. MT2011-2, the Postal Service presents the following data collection report on the market test for Gift Cards, for Quarter 4 of FY 2011.

The market test began on June 24, 2011. From that date through September 30, 2011, 18,034 gift cards were sold, for total revenues of \$96,012.35. After completing revenue sharing payments, net revenue was \$72,523.18. Only open loop cards are being sold. 3,472 of the gift cards were sold with greeting cards. The Postal Service believes that a high percentage of the gift cards sold along with greeting cards were mailed. Moreover, 72 percent of the transactions involving gift cards included the sale of other postal items, which also might indicate that the gift cards were mailed.

The Postal Service has the following plans to obtain, during the next 6 months, additional data showing the extent to which gift cards sold by the Postal Service are mailed, or generate mail. From mid-November to mid-January, gift card purchasers will be encouraged to complete a survey which will inquire whether the gift card was or is expected to be mailed. A separate survey of a representative sample of Postal Service customers will ask about their reaction to the Postal Service's gift card offering, including their mailing practices with respect to gift cards. As a result, the Postal Service expects to be able to provide in its next data collection report additional data about the extent to which gift cards purchased from the Postal Service are likely to be mailed.

Especially since quarter 4 is believed to be a relatively low demand period for gift cards, the level of gift card activity was too small for the Postal Service to determine the attributable costs of this experimental product adequate to meet the Commission and the Postal Service's standards for such measures. The Postal Service is hopeful that during the next two quarters, when higher volumes are expected, representative data can be collected and analyzed, with results provided in the next data collection report.

Sincerely,

David H. Rubin
Attorney